

Doing Business with DARPA

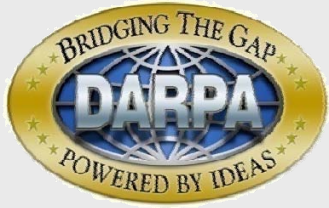
Michael Blackstone

Contracting Officer

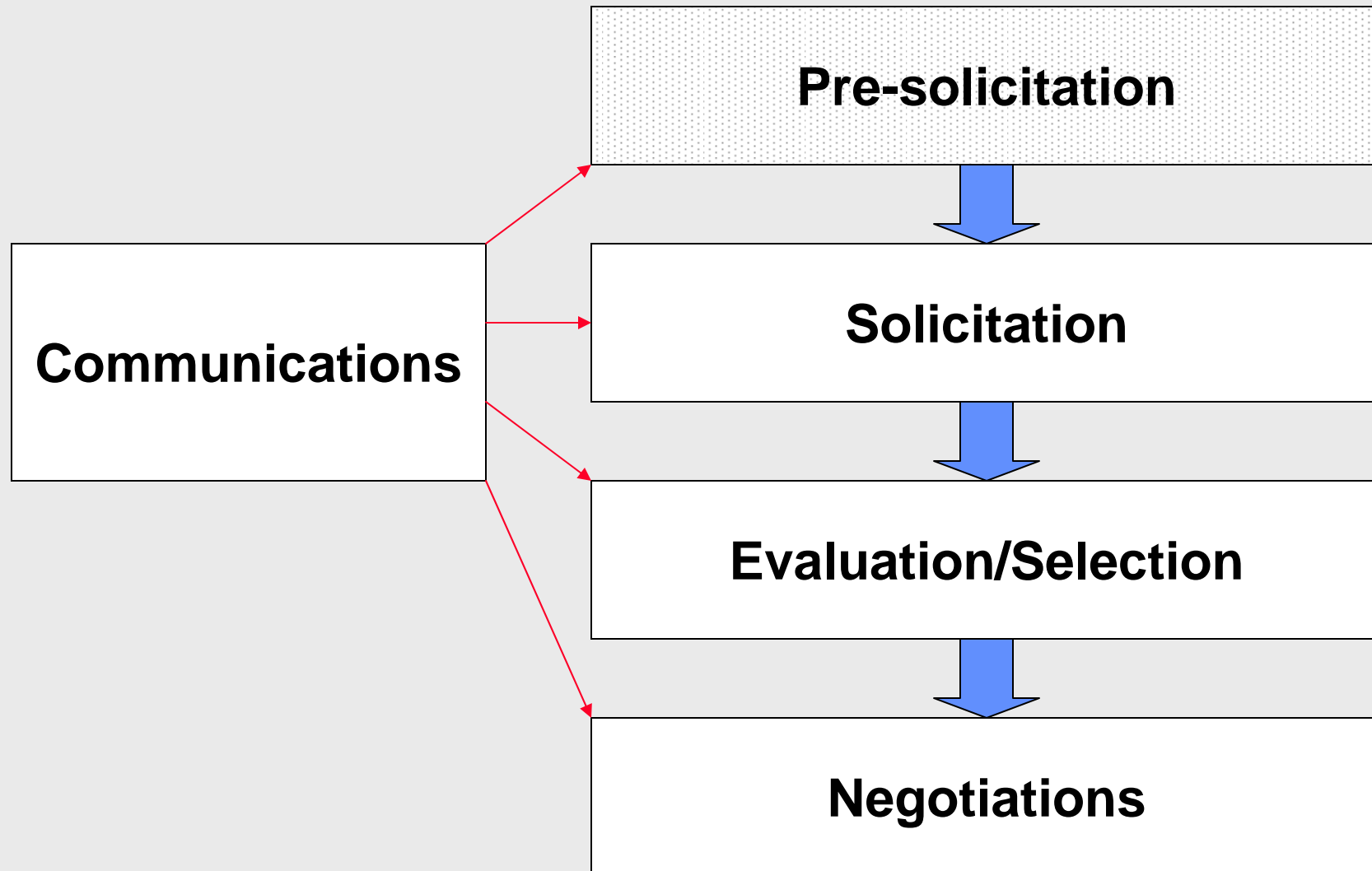
DARPA Contracts Management Office (CMO)

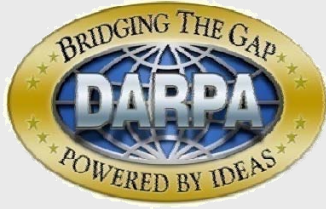


Report Documentation Page				Form Approved OMB No. 0704-0188	
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				5c. PROGRAM ELEMENT NUMBER	
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Topics: Business Process (Contracting Perspective)





Solicitations

Types of Solicitations:

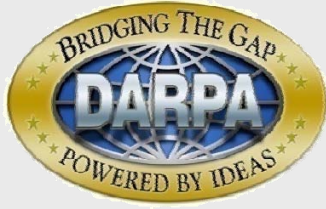
1. Broad Agency Announcement (BAA)
 - Program Specific BAA
 - Office-Wide BAA
2. Research Announcement (RA)

**Supports
“Competition
of Ideas”**

-
3. Request for Proposal (RFP)
 4. Program Solicitations

Solicitation Links:

1. www.fbo.gov
2. www.grants.gov
3. <http://www.darpa.mil/mto/solicitations/index.html>



BAA Content

Part I: Overview Information

Part II: Full Text of Announcement

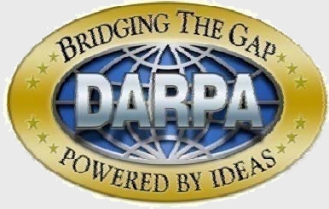
- **Sec. I: Funding Opportunity Description**
- **Sec. II: Award Information**
- **Sec. III: Eligibility Information**
- **Sec. IV. Application and Submission Information**
- **Sec. V. Application Review Information**
- **Sec. VI. Award Administration Information**
- **Sec. VII. Agency Contacts**

FAR Requirement:

- 1. Describe Agency's research interest**

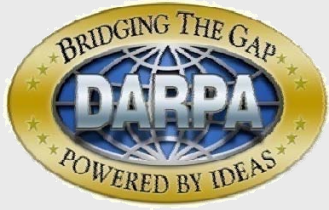
FAR Requirement:

- 1. Criteria for selecting proposals, relative importance and method of evaluation**
- 2. Period of time proposals will be accepted**
- 3. Proposal preparation and submission instructions**



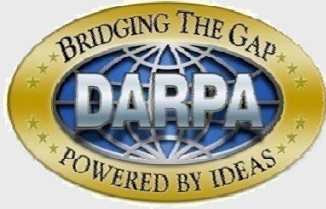
BAA Proposal Preparation (Business Perspective)

- Section IV: Application and Submission Information – Vol. II (Cost Proposal)
 1. Individual Technical and Cost volumes
 2. Provide all that is asked for in BAAs ★
 3. Evaluation ratings may be lowered and/or proposals rejected if submittal instructions are not followed
 4. Rough Order of Magnitude (ROM) not acceptable
 5. Supporting cost information in sufficient detail to substantiate the proposed price





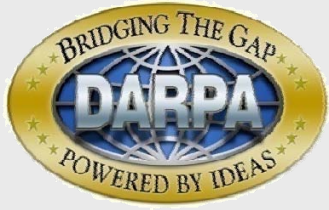
BAA Proposal Preparation (Business Perspective)

- Part I: Overview
 1. Abstract Due Dates (if applicable)
 2. Industry Days (if applicable)
 3. Due Date and/response posting date for Q&As
 4. Proposal Due Date (First Round)
 5. Closing Date



BAA Proposal Preparation (Business Perspective)

- Section II: Award Information 
 1. Fundamental vs. Non Fundamental Research
 2. Ability to make multiple awards
 3. Ability to select portions of proposals for award – not just full proposal
- Section III: Eligibility Information
 1. Potential conflicts of Interest (DARPA Program Manager's affiliation)
 2. Teaming Arrangements: 
 - A. Federal Funded Research and Development Centers (FFRDCs)
 - Sponsor approval mandatory
 - Discussion of FFRDCs in management approach
 - B. Government Laboratories/organizations
 - Must establish eligibility to propose



Evaluation/Selection (Scientific Review)

Awards based on...

1. Evaluation Criteria (order of importance) →
2. Program Balance →
3. Funding Limitations →

FAR Requirement:

Selection based on technical approach and importance to agency programs

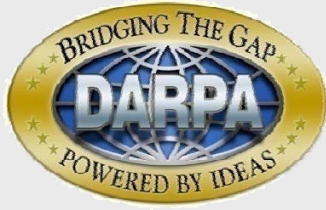
FAR Requirement:

Selection based on Funds Availability

Notes:

- *Proposals are not compared against each other since they are not submitted in accordance with a common work statement.*
- *Receipt of Selection Letter is not an authorization to proceed or incur cost.*





Negotiations (Elements)

1. Cost Reasonableness

- Verify Direct & Indirect rates (Assist or Full Audits)
- Bill of Materials (BOM)
- Basis of Estimates (BOEs)
- Travel/Equipment/ODCs
- Subcontractor Cost Reasonableness
- Fee

2. Contract Terms & Conditions

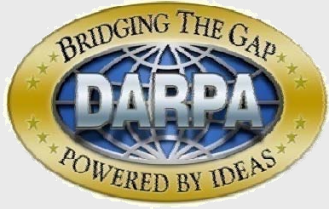
3. Statement of Work (SOW)

4. Intellectual Property (IP)

Notes:

- *The time required to conduct negotiations can be reduced if proposals are fully compliant.*





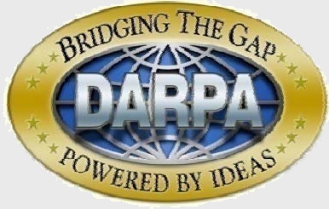
Negotiations (Award Instrument Types)

Standard:

1. Procurement Contracts (CPFF, FFP)
2. Grants
3. Cooperative Agreements

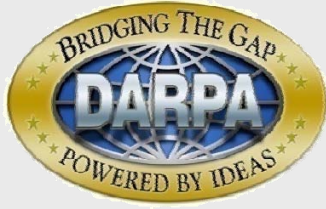
Non-Standard:

1. Technology Investment Agreements (TIAs)
2. Other Transactions for Prototype Projects (845s)



Communications

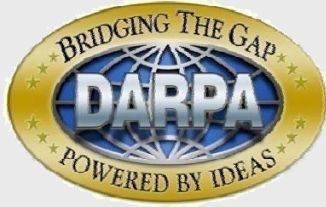
- Pre-Solicitation
 1. Free exchange of information & ideas with DARPA PM/s is permitted – in fact,
Information exchanges with DARPA PM's are the foundation
for “Doing Business with DARPA” ★
- Post-Solicitation/Pre-Proposal Submission
 1. Dialogue with DARPA PM is encouraged
 2. Limitations in order to avoid creating a unfair competitive advantage
- Post-Proposal Submission
 1. Primarily restricted to proposal clarifications




TIAs

(Civil-Military Integration in DoD S&T)

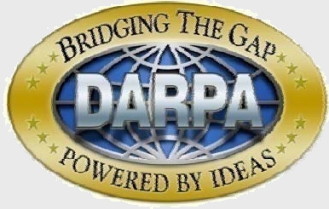
- Are flexible, legally binding, non-FAR Assistance Instruments (DoDGARs – Part 37):
 1. Used to support or stimulate defense research projects **involving one or more for-profit firms**
 2. Often include unique teaming arrangements (e.g., consortium)
 3. Provide greater flexibility to negotiate award provisions in areas that can present barriers to commercial firms
- Typical Barriers Avoided or Mitigated by TIAs:
 1. Standards for financial management systems
 2. Cost Accounting Standards (CAS)
 3. Fixed Intellectual Property provisions (data rights, patents, etc.)
 4. Access of Government auditors/audits to the books
- Restrictions on Use:
 1. Require **non-federal cost share of 50%** to the maximum extent possible
 2. **No** participant is to receive **fee or profit**



OT for Prototypes

- Are flexible, legally binding, non-FAR Acquisition Instruments (10 U.S.C. 2371 & Section 845 of 1994 NDAA):
 1. Used for prototype projects that are *directly relevant* to *weapons or weapons systems proposed to be acquired* or developed by the DoD
 2. Where the “Prototype” is a physical or virtual model used to evaluate the technical or manufacturing feasibility or military utility of an item or process
 3. Provide greater flexibility to negotiate award provisions in areas that can present barriers to commercial firms
- Typical Barriers Avoided or Mitigated by OT for Prototypes – see TIAs
- Restrictions on Use:
 1. At least **1/3** of the total cost of the program is to be paid by industry (**cost share**) or participation, to a significant extent, of at least **one non-traditional** defense contractor (Statute)
 2. Fixed Price Milestones (DARPA Preference) 

Note: “Non-traditional”: An entity that has not, for a period of one year, entered into or performed a contract subject to full Cost Accounting Standards (CAS) coverage or a FAR-based contract in excess of \$500K to carry out prototype projects or to perform basic, applied, or advanced research projects.



Available Resources

- www.darpa.mil/cmo (CMO Website)
- DoDGARS (DAU Website)
- DoD OT for Prototypes Guide (DAU Website)
- Defense Procurement Acquisition Policy
(<http://www.acq.osd.mil/dpap/>)